GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2466
ANSWERED ON:18.03.2005
EFFECT OF TSUNAMI ON GDP
Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

(a) whether the recent Tsunami will impact on GDP growth in the country;

(b) if so, the details thereof;

(c) whether the Government will extend the surcharge imposed a few years ago, to more goods for one more year to mop up enough money to fund the relief work in Tsunami hit areas; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) The total damage due to Tsunami covering Andhra Pradesh, Kerala, Pondicherry and Tamil Nadu is estimated as Rs. 11,934.74 crore. In the recent Joint Assessment Mission Report (The World Bank, Asian Development Bank and UN), it is noted that the Tsunami has had no impact on India`s GDP or that of the affected States/ UT`s. The States/UT`s GDP are unaffected because economic activity along the coastline contributes very little to their income.

(c) and (d) A special surcharge of excise on a range of products, the use of which should be discouraged, was levied as National Calamity Contingency Duty (NCCD) vide Finance Bill, 2001. Subsequently the levy had been extended to few more items namely polyester filament yarn, motor cars, multiutility vehicles and two wheelers, and crude oil in the Finance Bill, 2003. Levy of NCCD is proposed to be extended without any time limit in the Finance Bill, 2005.